

A Work Project, presented as part of the requirements for the Award of a Master Degree in Management from the NOVA – School of Business and Economics.

## HOW TO REDUCE THE CAUSES OF CALL CENTER CONTACT BY IMPLEMENTING WEB SELF-SERVICE AT SONAE MC?

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## Abstract

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This project aims to provide feasible solutions to improve customer's Help Area at *Continente Online*. The goal is to increase satisfaction and loyalty by reducing the main causes that lead customers to appeal to Call Center or abandon the website. The pursued solution is the implementation of Web Self-Service and the vision taken is focused not only on providing customers basic help tools but also innovate with international best practices to sustain Sonae MC's present and future market leader position. Customer's feedback, costs and impact are taken in consideration to find the best fit for the company.

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**Keywords:** E-commerce; Web self-service; Help Area; Call Center Costs

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### **Introduction: The purpose of the project**

This project emerges from a five month internship at Sonae MC with the User Experience team in the E-commerce Department. I was presented with the challenge “*Reduce the causes of contact to the Call Center through the evaluation of the moments of hurdle in the customer journey*”. As a mean to achieve that goal, my project focused on the *Continente Online* customer’s Help Area used by customers to answer their questions and support them in online purchases. However due to its poor design and lack of investment, the Help Area is not efficient in supporting customers therefore reducing sales and increasing costs through excessive use of Call Center. Because customers value the possibility of human support, Call Center use can be optimized yet a minimum service level is needed.

Solid research pointed towards **Web self-service solutions**. This project started by analyzing the problem based on customer’s feedback, E-commerce industry, Portuguese market and *Continente Online* data and customer’s particularities. The purpose was to latter support the definition of specific requirements and then the evaluation of the available options that can fit company’s goals as well as the impact they can create.

The project aims to be a pilot for E-commerce MC on how to combine web self-service and human interaction in the most satisfactory way for customers: give them proper tools to help themselves but always leave the door open for call center contact if necessary. The perspective adopted was focused primarily on the increase of customer’s satisfaction and loyalty but also on process/support automation and costs reduction. This project was not planned as a one-time project but as an ongoing process with updates and continuous improvements. The project’s deliverable is a ready to implement pilot that not only will fulfill customers’ needs for support but also innovates and brings value to Sonae MC preparing the company to the challenges of the upcoming future.

## Literature Review

This section presents the conceptual background of Web-Self Service. The literature supports the relationship between how Self-service technologies and its application to Web increase customer's satisfaction and loyalty and outlines indicators to measure it.

**Self-services technologies (SST)** are *“technological interfaces that enable customers to produce/receive a service independent of direct service employee involvement”* (Meuter et al., 2000). Successfully implemented<sup>1</sup>, SSTs reduce operational cost; increase customer satisfaction and loyalty; and access to new markets (Bitner et al., 2002). Moreover, SSTs increase efficiency that liberates resources to focus on high value tasks (Lee and Allaway, 2002). Thus, SST are recognized as a key factor in differentiating services and building **competitive advantage** (Ennew, Reed and Binks, 1993; Zeithaml, Berry and Parasuraman, 1996) by having a superior resource and the capacity to exploit it, serve customers with fewer resources and thus reduce costs. Technology-based interaction is expected to become a key factor for long-term success in business (Dabholkar, 1996).

In order to prevent **barriers** to implementation, or guarantee customer trust and acceptance *“technology failure”, “process failure”, “poor design”* and *“customer-driven failure”* (Meuter et al., 2000, p.56), fear of losing personal interaction and risk (Lee and Allaway, 2002) should be taken into account. In SST, firms cannot create service without customers' active participation, involvement, and co-production (Bitner et al., 2010; Lin et al., 2007; Lovelock and Wirtz, 2004) so customers' personality traits as self-efficacy, computer anxiety and personal innovativeness

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<sup>1</sup> A successfully implemented SST should, according to Mary Jo Bitner & Amy Ostrom & Matt Meuter Research from Arizona State University, follow some the critical success factors: Be Clear on the Strategic Purpose; Maintain a Customer Focus; Actively Promote the Use of SST; Prevent and Manage Failures; Offer Choices and Be Prepared for constant updating and Continuous Improvement

must be taken into consideration before implement it. Customer's differences are "*at the heart of consumer attitude formation and behavioral intention*" towards SSTs (Dabholkar and Bagozzi, 2002, p. 187) and not all have the same readiness to embrace them (Yen, 2005). Besides barriers there are also some **limitations**, staff /customers training and investment are the major ones in SST (Bitner et al., 2002; Lee and Allaway, 2002) and if not successfully implemented companies may end up investing in the technology without the expected decrease in customer support, namely Call Center staff expenses.

When applied to web services SST, according to TechTarget<sup>2</sup>, are called **Web self-service** or **E-Commerce Customer Self-care tools** a type of electronic support (e-support) that allows customers and employees to access information and to perform routine tasks over the Internet, without requiring any interaction with a representative of an enterprise. Notwithstanding, they are proved to hardly work if perceived as a standalone service without connection to human interaction and thus they should be a part of a larger service strategy that offers choice through multiple online services. Several modalities of web self-service are available in the market (see **Appendix 1**), however first steps taken and still the most commonly used are **Frequently Asked Questions (FAQ)**. **Self-service deflection** measures web self-service efficiency and is defined as the rate that self-service resources and/or content reduces customer's need for live assistance.

After explaining foundation of this project and since it aims to enhance customer's satisfaction and loyalty it is now important to clarify these concepts as well as define the adequate tools to measure them. **Customer satisfaction** is commonly measured by **CSAT** that asks customers to rate their experience "*How would you rate your overall satisfaction with the service you received?*" and can

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<sup>2</sup> TechTarget (NASDAQ: TTGT) is the Web's leading destination for serious technology buyers researching and making enterprise technology decision.

be split on a set of questions aiming to evaluate different aspects of the business. Satisfaction happens when **quality service** is perceived and thus influences positive behavioral intentions (repurchase, recommendation, reduce likelihood to go to competitors) (e.g. Bansal et al., 2004; Collier and Bienstock, 2006; Wolfinbarger and Gilly, 2003). **SST service quality attributes** were explored in several studies (see **Appendix 2**).

**Loyalty**, as customer's intention to continue buying at a specific company, increase spending or say good things about the company, is the most important factor to evaluate once that if by one side leads to retention by other it can be easily damaged by bad customer service. The overuse of **CSAT** as primary is built on the wrong assumption that satisfaction leads to loyalty.<sup>3</sup> Against the odds, evidence shows that reducing effort<sup>4</sup> is more effective in building loyalty than exceeding expectations. Thus, **Customer Effort Score (CES)** that measures easiness by evaluating answers to the question: "*How much effort did you personally have put to handle your request*", is the most adequate metric to measure Loyalty.

Lastly **Net Promotor Score (NPS)** is widely used and provides feedback at checkout, end of purchasing process, to measure overall customer experience. Customers are invited to evaluate their willingness to recommend the service to a friend and also to answer to the following question "*What do you like the most in our service and/ or what can we do to improve it*". NPS works as a leading indicator of growth, higher NPS than competitors represents more likelihood to outperform them however it also does not stands for customer's loyalty.

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<sup>3</sup> Twenty percent of "satisfied" customers in the HBR study "*Stop trying to delight your Customers*" intend to leave and 28% of "dissatisfied" intend to stay.

<sup>4</sup> Harvard Business Review– "*Stop trying to Delight your Customers*"

## Methodology

This project takes form as a **Case Study** which according to Yin is the “*empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident*”. Regarding the type of case study, this project is defined as **Explanatory**. The approach followed was **interpretative** once usability will depend on companies’ context and might not be replicable due to the specific industry where Sonae operates, its culture and position in the market. However it aims to increase general understanding of the situation.

This project is a single case that might be a **unique** case or considered **representative** in very specific circumstances, capturing the moment and conditions of this experience, it examines the global nature of one organization having a **holistic** design. The study aims to answers to “*How to reduce the causes of call center contact by implementing web self-service at Sonae MC?*” based on the answer of a set of questions used to support decision making.

Case study evidence may come from six sources: documents, archival records, interviews, direct observation, participant-observation, and physical artifacts. The different sources are complementary; no single source has a complete advantage over all the other and the use of various allows for data triangulation aimed at corroborating the same fact or phenomena by constructing validity (Yin). Thus, all sources were utilized except Interviews and Physical Artifacts that were not relevant to accomplish this specific project.

**Documentation** and **Archival Record** were important sources to help understanding the moment Sonae is experiencing and set goals for the impact of this project. In order to support decisions and add concepts to this project, two documents were critical, “*Estudo de Satisfação Global Continente Online*” (**CSAT**) and “*First Purchase Survey*”. The first is a study that was carried from July 2013



until April 2014 by “*Direção Geral de Mercados*”, a set questions directed to *Continente Online* actual customers aiming to determine the elements that contribute the most to the website perceived quality and customer satisfaction. The second are the results of a survey presented to all customers on the website at the end of their first purchase and measures NPS and CES.

Regarding **Archival Records**, four internal tools used by E-commerce MC can be helpful to define the major problems related to Help Area: NPS, Contacts, Complaints and CES<sup>5</sup>. (See **Appendix 3**). The first, **NPS** uses a 0-10 scale to score results and splits comments in categories evaluated as negative, comment/suggestion or positive. The value of NPS is calculated by subtracting the percentage of detractors (evaluations between 0-6) from the percentage of promoters (evaluations between 9 e 10). **Contacts**, the major source of information, consists on calls and email to Call Center grouped and divided in categories and **Complaints** represent the highest level of customer dissatisfaction and can be provided by email, phone call, Facebook, “Portal da Queixa”<sup>6</sup>, Sonae communication and ombudsman. Finally, **CES**’ evaluation is structured following a scale with seven levels from “Very difficult” to “Very Easy” accessing the easiness of shopping in *Continente Online* and only the percentage of customers that score in the three bottom up levels<sup>7</sup> is ranked. For this project it was possible to gather Contacts and Complaints data for a whole year (November 2014 to October 2015) but for the remaining metrics **Theory of Second Best** (Richard Lipsey and Kelvin Lancaster, 1956) applies with data only from January, 2015 to November, 2015.

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<sup>5</sup> **Entry/ Exit Rate** the tracking tool that gives the percentage of visitors that enter or leave the website in each stage of the navigation would be also an interesting measure to explore. However the available data is misleading for this project because it takes into account the number of visitors that go to the website with the single purpose of check weekly promotions.

<sup>6</sup> <http://www.portaldaqueixa.com/>

<sup>7</sup> The three bottom up levels correspond to “Easy”, “Quite Easy” and “Very Easy”.

**Direct Observation** allowed me to have better insights about the business as a whole, during the five months I visited several times the Logistic Center “*Maia’s Warehouse*”, Call Center and the recent “*Lumiar’s Warehouse*”. Lastly, the **participant observation** was vital for this project, the internship provided me very and useful opportunities to talk to workers from low to high positions that gave me all kind of information, besides that I was actually seeing things happen in real time.

The structure followed was the **linear analytic** (Yin) and regarding the analytic general strategy both qualitative and quantitative data were used due to the importance of the second gathered from internal records. For decision making the preferred method was **Options Matrix Tool** (OMT)<sup>8</sup> that consists on a spreadsheet-based designed to help managers apply a set of decision criteria to a variety of alternatives or strategic options and is particularly suitable when decisions require substantial judgment.

## **WHAT? Project Context as starting point**

### **1. Customer’s Help area**

The help area is accountable to provide support to customers during the ordering process and provide information about the remaining phases of the process (**See Appendix 4**). It is currently presented in the website as a list of questions, similar to FAQs, with the possibility to access to further clarifications, a different area, where one can find filters with different topics and help can be provided through the answer of some previous settled questions. The introduction and update of information is done sporadically with the insertion of new questions in topics however no review is done to the area as a whole what leads to confusing, sometimes outdated, repetitive and/or lacking information answers.

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<sup>8</sup> “*The Options Matrix Tool (OMT): A Strategic Decision-making Tool to Evaluate Decision Alternatives*” by Cathy A. Enz and Gary Thompson



Image 1 - The Help Area

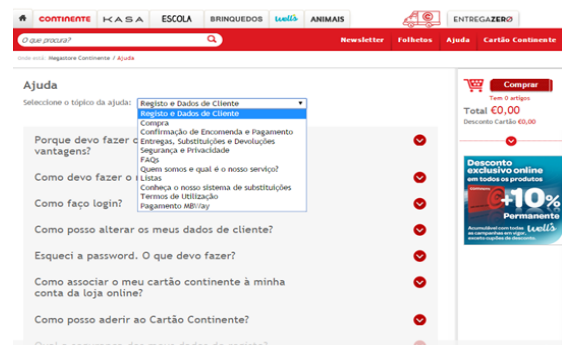


Image 2 - Access Further Clarifications

Each of the questions presents answer with unfriendly excessive blocks of text that is in some cases accompanied by tutorials; however those are outdated, old-fashioned and some give too much information in few time. Regarding the design it is not engaging, interactive or responsive at all what might induce customers to lose interest and leave the page.

Nowadays if a customer needs help it will take him whether too long to identify the question his looking for, won't be able to find it at all or will even quit when facing the huge amount of text. Thus, customers would rather prefer to contact Call Center instead of wasting that time.

Despite the Help Area is also possible to find two more help tools. The first, **Click to Call** allows customers to insert their contact and automatically receive support from assistants , free of charge. Even though it increases consumer satisfaction it also prevents them from using Help Area and help themselves, driving the costs up. The other is still recent and consists of “*Continente Online Tips*”, it provides some of the information presented on the Help Area but in a more intuitive way, images replace text in explaining relevant information necessary steps. This tool has potential but works very erratically, it randomly appears on a right side banner. Thereby either the customer is lucky and it appears when needed or it is not intuitive to find, customer would have to access “*Sugestões*” to find it. (See Appendix 5).

This project aims to strengthen the use of web self-service, increase the awareness of Help Area and decrease the amount of customers leaving the website without concluding their purchase or finding the information needed.

## **2. Internal Tools Analysis**

While Contacts and Complaints are indispensable tools to collect qualitative data and CES define quantitatively the actual situation and set future goals, NPS provides both types of data. The qualitative data was extracted and grouped in a range of categories that identify moments in customer journey where visitors feel more difficulty/ dissatisfaction. Categories were first segmented by whether they can or not relate with Help area. This classification was made under the assumption that even though in most cases improvements on Help area cannot completely fix existing problems by itself the actual situation can be improved by teaching customers how to proceed on those moments and providing better support. Top 10 priorities were then computed for the three tools and compared in order to have better insights of what the major focus should be ( **See Appendix 6**). Regarding quantitative data, it was extracted and analysed being a starting point for improvements, making this project a mean to achieve better results on both indicators.

The following statements are the major finding of tool's analysis showing its the notorious relation with Help Area specially considering Contacts' data and also the similarities on Top categories across the different indicators:

- Taking in consideration only the negative comments from NPS, 29% can be related with Help area and Top 10 represents 22% of Total NPS. Meaning that by solving those 10 categories's problem a decrease of 22% in the number of NPS is expected.
- 84% of Contacts can be somehow related with Help area and Top 10 weighs 72% in total.
- 19% of Complaints can be related with the Help Area and Top 10 represents 19% of those.

- “Cupouns and Discounts”, “Delivery Fee”, “Payment Options” and “ Card Association” are common to all three indicators and as so are the major priority.
- “Order cancellation”, “Order Changes” and “Returns” are common to Complaints and Contacts and “Slot’s Reservations” and “Flyers/Ipaper” to NPS and Complaints, all priorities.
- Despite only present in Contacts, “Order confirmation” is also a factor to consider due to its weight and because it’s related with ambiguous information provided in the website, as so are easy to improve.
- The quantitive values from “*Estudo Satisfação Global Continente Online*” and “*First Purchase Survey*” are 1 and 14 for NPS and for CES 80% and 69%. This happens because while in the study customers already experienced the whole process more than once in the survey they have only been in the ordering process missing the delivery process. Thus, once “*First Purchase Survey*” is only connected with the website experience it is the most indicated for this project.

Considering the information extracted, three goals for the future this were settled. First , reduce the percentage of qualitative data that relates to help, second handle priorities by giving customers the information they need and finally increase the values of quantitative data for higher results in satisfaction and loyalty.

### 3. Help Area Costs

Three type of costs can be allocated to Customer Support, the first is the sunk cost of developing the structure on already implemented website and Call Center, the second is the **Click to Call** tool and is a **fixed cost** and finally Call Center (Call<sup>9</sup> and Emails<sup>10</sup>) are **variable** costs. **Click to Call** is

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<sup>9</sup> The cost is calculated considering the duration of the call, based on the value per minute negotiated. It applies both to realized and received calls.

<sup>10</sup> The cost is calculated by answered email based on a price per email previously settled.

a tool, provided by an outsourced company that allows customers to receive a call free of charge with an annual flat rate cost of 100 000€ for Sonae. It doesn't make sense to allocate a cost to the proportion of the calls assigned to Help Area because even if those didn't exist that tool would still be used for make the connections between drivers (accountable for delivery) and customers. Since excluding Click to Call is not an option its costs won't be taken on consideration.

Regarding variable costs the analysis uses data provided by **Call Center (See Appendix 7)**, the average duration of a call is 4, 5 minutes and the percentage of each type of call is calculated based on September 2015<sup>11</sup>. The annual cost is 138 086€ based on data from November 2014 to October 2015 and the ratio calls per placed orders is 25%.

### **WHERE? E-commerce Trends & Company & Customers**

This section aims to explain some particularities of the market and customers profile that need to be taken on consideration when looking for a solution that can fit E-commerce MC.

#### **1. E-commerce in Portugal**

Although still modest when compared with traditional sales and to other European countries e-commerce is growing in Portugal, in 2014 sales reached 2.9b representing a 13.3% growth versus Greece for instance with quite the same population and 3.9b turnover and a growth of 20.4%<sup>12</sup>. The internet penetration rate was 66% and close to half of internet users were e-shoppers with an average spending per user of 911 €, however still lower than EU average, 966 €.

By now it is notorious the increase of awareness for e-commerce, with electronic devices and mobile phones being the most traded products, more than 5 M have been on e-commerce websites summing up 31 M hours spent shopping<sup>13</sup>. Despite the fact that users might not be converted in

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<sup>11</sup> Due to the high amount of data to be extracted for this purpose, it was impossible to determine the real percentages.

<sup>12</sup> <http://www.ecommerce-europe.eu/>

<sup>13</sup> According to Netpanel of Marktest

consumers these are good indicators for the business. The tendency has been of continuous growth in the number of clients what might have been caused by the increasingly investments on websites, its promotion on social networks and online marketing and by discounts provided to e-shoppers. However, while almost  $\frac{3}{4}$  of Portuguese e-shoppers buy on foreign websites, only 32% of Portuguese companies are on the web and only 10% have an online store.

Regarding e-mobile, more than 65% of internet devices bought in 2014 were smartphones and 42% of the buyers claims to use the smartphone to buy online thus, it is important to be aware of the importance of keep websites compatible with mobile devices. **(See Appendix 8)**

## **2. Sonae MC**

Sonae MC belongs to the Portuguese Holding Sonae<sup>14</sup> and operates mainly in the Food Retail industry. The company that implemented the first Portuguese hypermarket<sup>15</sup> and thus initiated a revolution on consumptions habits in Portugal is now the market leader. Sonae had a 3.461M turnover<sup>16</sup> in 2014 generated by 478 stores managed by the company and 162 franchising and Joint ventures deals. The group is segmented in different formats aiming to understand the needs of the different types of consumers and provide both a diversified offer and promotional tools adapted to the market needs. **(See Appendix 9)**

## **3. E-commerce MC**

E-commerce MC started in 2000 when Sonae MC launch the first *Continente Online* website platform and since then two new version were developed, the first one in 2005 and the second and actual in 2013 and different marketplaces were added. In 2014 the number of users<sup>17</sup> was about

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<sup>14</sup> Composed by Sonae MC, Sonae SR, Sonae IM (16.6% to 89.9%), Sonae Sierra (50%) e NOS (24, 4%).

<sup>15</sup> Continente de Matosinhos (1985).

<sup>16</sup> 1.3% Growth according to Relatório de Resultados 2014.

<sup>17</sup> This is a misleading number once the tracking tool counts as user every device used (instead of customer accounts) and counts more than once a device when users have a private connection.

9.5M with more than 25M sessions however the conversion rate is around 1% due to the high percentage of people that uses the website only to check the weekly promotions on flyers. When an order is placed on the Website it is addressed to a specific *Continente* physical store based on customer's postal code. The product picking is done at the store and then delivered at home or picked by the customers with the exception of some categories of products that belong to a centralized operation and thus are only picked in "Maia's Warehouse". However, a new warehouse was built in Lumiar and started operations on December, 2015. The picking will slowly be transferred from stores to there. This warehouse is a huge investment and was thought to accommodate the internally forecasted growth of more than 20% by 2016 and eliminate the major cause of customer's Churn<sup>18</sup>, stock out.

In the website<sup>19</sup> despite the range of marketplaces that one can find they all belong to *Continente* insignia except one *Well's* that has its own insignia. The following table gives an overview of the 2014 results:

	Continente	Well's
Net Sales (K€)	26 146,5	85,7
Orders delivered (#)	237 490	2 423
Delivery fees (K€)	956,3	4,2
Avg value per order (€)	110,1	35,4
Avg quantity per order (#)	59	3,5

Over years *Continente Online* has been standing out as market leader in online with increasing sales and a safe position. It was considered the best e-commerce website in Portugal for six

<sup>18</sup> Percentage of subscribers to a service that discontinue their subscription to that service in a given time period

<sup>19</sup> [www.continenteonline.pt](http://www.continenteonline.pt)



consecutive years until 2014 by *PCGuia*<sup>20</sup> and received several rewards from *ACEPI Navegantes*<sup>21</sup>, but more important is customers' loyalty translated on an online market share of 70%<sup>22</sup>. (See **Appendix 10**)

#### 4. Customer profile

*“Our customers profile is going to be everyday more complex. There are two issues that will always remain: convenience and transparency.”* - Nuno Almeida, E-commerce Director

According to the “*Web analytic report - First Semester 2015*”<sup>23</sup> and “*Estudo de Satisfação Global Continente Online*” the typical customers spends around 4:22<sup>24</sup> minutes on the website and are women (68%) with a household of three or more people (69%) and between 25 and 44 years old (75%), thus a younger customer than in physical stores.

Despite not considering buying online more gratifying than in a physical store (52%) the choice is justified by the opportunity to avoid to carry purchases (69%), go to store (48%) or for the lack of time (44,5%). Typically the order is made using computer (70%) and received by the same person (84%), usually customers expect to buy the same volume in the next order (79%) being Multibanco references the preferred method to pay. *Continente Online* customers do not only use e-commerce to buy household products but also for other kind of purchases like: airplane tickets or hotel booking, books, tickets for shows or clothes, these kind of customers also shop online in Jumbo (26%) or El corte ingles (12%).

Customers present good levels of satisfaction (CSAT) and recommend the website to friends and relatives (positive NPS) however there is still space to improve these indicators. The main reason

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<sup>20</sup> “Prémios Leitor da Revista PC Guia”, based on consumer opinion

<sup>21</sup> Rewards the best of Digital Economy in Portugal

<sup>22</sup> According to Resultados 1º Trimestre 2015

<sup>23</sup> Internal Study (by month and by semester)

<sup>24</sup> Due to the high percentage of users that only use the website to check weekly promotions.

of customers Churn is the unavailability of some products that appeared to be available when the order was made, however the percentage of customers that return is high (65%).

Considering Well's the profile is quite similar, women represent the majority of the customers (72%), at ages between 25 and 44 (88%) years old, mostly using the computer (67%) to shop online and with an average time spent on the website of 3:51 minutes. (See Appendix 11)

### **Major Findings for this specific project**

Within the information collected there are some particularities of major importance for this project's success. First the good indicators for e-commerce trends, with a double digit growth, combined with the high percentage of customers buying in foreign sites (representing lost opportunities) support the need of a path of improvements to accommodate demand. The investments made on logistics demonstrate Sonae's awareness of future opportunities however nothing is being made in terms of customer experience on the Website.

Moreover, the range of ages, with 75% of customers between 25 and 44 years old, shows that the company won't have problems regarding the **barriers to acceptance** in self-services technologies due to customers readiness for technologies. Finally is important to notice the weight of e-mobile and when developing solutions make it responsive to mobile.

## **HOW? – Strategy in Action**

### **The Definition of Requirements**

Based on the analysis of available internal data, the meetings 'conclusions with Sara Teixeira, Customer care/ User experience Chief and benchmark it was possible to define the requirements of the new Help Area. The major requirements are presented as follows:

- The final solution should be **responsive** to Desktop, Mobile and Tablet.

- The customer must perceive the information given as **easy** to access, **effective** and **effortless**.
- Although the major objective is to reduce calls the possibility to contact **Call Center should be available** as last resource.
- All different marketplaces help areas should be **unified** in only one, yet a customer shouldn't need to read information about marketplaces different from the one he/ she is looking for.
- A customer should be able to access information as a whole or specifically the needed subject or tip (Metaphorically should be able to access the whole book, a chapter or just a paragraph).
- **NPS/ Contacts/ Complaints** settled priorities must be taken in consideration.
- It is important to have both a **functional part** (that allow to accomplish customer's purposes in an easy and fast way), an **emotional part** (that promotes the service provided and enhances customer trust and loyalty) and develop tools able to provide **feedback**.
- **Cost of implementation** should be taken in consideration but evaluated as an investment for the accommodation of the future expected growth.
- The content should be easy to **update** and also able to **extract** data. It should allow to get better insights of the *Continente Online* customer taking advantage of the useful information that customers might provide when interacting with the Help Area.
- The amount of text should be reduce as its minimal and replaced by engaging content such as images and video.

### **Available Options Analysis**

There are several options of web self-service available on the market and several companies that can provide solutions for this specific project. In order to construct a framework for an effective choice that fits the company, available options were segmented in three groups "Must have", "High

Potential” and “Not Relevant”, the following table summarizes results based on the characteristics defined:

<i>Groups</i>	<i>Characteristics</i>	<i>Available Solutions</i>
<i>MUST HAVE</i>	Solutions that fulfill the <b>basics</b> for customers support, common to the majority of websites and usually not expensive (in house development).	<ul style="list-style-type: none"> <li>• FAQs</li> <li>• Support pages (Customer Specific Portal)</li> </ul>
<i>HIGH POTENTIAL</i>	Solutions that can fulfill <b>the extra mile</b> in letting customers help themselves, providing the needed resources and can fit E-commerce MC purposes.	<ul style="list-style-type: none"> <li>• Educational Videos (Help tutorials)</li> <li>• Click to Chat</li> <li>• Natural Language Search (widget or virtual Assistant)</li> <li>• Online Communities</li> </ul>
<i>NOT RELEVANT</i>	Solutions that doesn't seem suitable for this project either because don't meet the requirements or proved to be ineffective before.	<ul style="list-style-type: none"> <li>• Keyword Search Box</li> <li>• Downloadable manuals, drivers</li> <li>• Product Forum</li> <li>• HTML 5 based Mobile</li> <li>• Native Mobile Applications</li> </ul>

In the “**Must Have**” group FAQs were already implemented however not effectively and the Support Page does not exist yet. Thus, in order to meet Basics a Support page was developed internally employing existing resources. For “**High Potentials**” by the value that can be created to help the company to sustain its market position an evaluation of alternatives and final recommendation was computed. Finally, the “**Not Relevant**” group solutions were dismissed for lacking to create value for the company.

### 1. The “**Must Have**” Group – Meeting the Basics

This section deals with the implementation of the Support Page that will also include FAQs meeting the basics. It was internally developed by myself working together with E-commerce MC web designers team and under the supervisor of the User Experience Chief. (**Appendix 12**)

**The structure:** The principle is to simplify as so the **four major moments** of the customer journey were identified and questions were split among then: “Registration”, “Purchase”, “Order’s

confirmation and Payment” and “Delivery, Replacement and Returns”. Each of these areas have subthemes that customers are able to identify when they mouse hover<sup>25</sup> each box. Finally each of these subthemes have a range of questions that hopefully can satisfy customer’s needs. **Aim:** despite having to use more clicks to find answers, customers will perceive the information as easier to access and will put less effort on it once they won’t have to go through by the painful process of finding their own question within an endless pool of other questions.

**FAQs** appear after the four major moments and are focused on NPS/Contacts/Complaints Top 10. The purpose of the data extraction using these tools is to retain useful information to E-commerce MC and use it to improve. **Aim:** basing FAQs entirely on the information retrieved will reduced the amount of customer using Call Center to make the same questions over and over again. “Continente Loyalty Card”, “Free Delivery”<sup>26</sup> and “Click and Go”<sup>27</sup> are three optional **add ups** to main service therefore they should be of easy access and thus a particular area is reserved for them. **Aim:** reduce contacts by redirecting customers to the place where they can solve problems related with add ups. **E.g.** Loyalty card has a specific website assigned, people tend to interact with Call Center to solve problems related with the card, however they are not accountable for that area resulting ineffective calls/ mails.

The remaining space is fulfilled with “Terms of Use” and “Safety and Security” that the website **must have** and also for contact information. **Aim:** meet requirements and maintain the possibility of human interaction visible.

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<sup>25</sup> In computing, a **mouseover** , mouse hover or hover box is a graphical control element that is activated when the user moves or "hovers" the pointer over its trigger area, usually with a mouse

<sup>26</sup> Packet of 4 months free of delivery fees by a certain price

<sup>27</sup> Customer can pick their purchases at stores and parking.

**The Design:** Benchmarking was made looking for the tendencies in web design despite that it was of common agreement that the area should stay as clean and **functional** as possible. Thus the design implemented is really simple with only the particularity of having subthemes appearing when mouse hovering the images. The images by itself set the **emotional part** and are of extreme importance because they are part of the message sent to customer, however according to company's policy it is the marketing team that will choose them.

**The Content:** The **amount of text** was reduced as much as possible and replaced by engaging and self-explanatory images that will either guide customer in process of completing a purchase or promote the attributes of the service. The **communication tone** became more close to the customers. Simplicity, optimism and apologies policy were the key of the communication provided on this area.

**Extras:** Before this project the **video** content were based on help tutorials, in this new area videos are aiming to explain some issues that can cause curiosity to customer and enhance trust. The themes relate with what happens since an order is placed until it arrives customer's home. "*Who picks and choose my products?*" or "*How do you transport and pack my orders?*" are two examples of the proposed videos. **Feedback** provides a huge source of information. After each article (question+answer) the question "*Was this article helpful?*" emerges. If customers say yes only receives a thank you note, the number of positive answers is then tracked and used to create sets of questions such as "*Most Popular Questions*". If the answer is negative *Continente Online* starts by apologizing for not being helpful and then asks customers how they think the company can get better, retrieving the answers for future improvements.

## 2. The “High Potential “group – Going for the Extra Mile

In order to accomplish this project E-commerce MC owns internal knowledge that can be used to meet some of these requirements however is it doesn't have the capacity necessary to fully develop it by itself, Web self-service that go for the extra mile must be outsourced. This happens because developing inside the proper tools would be more expensive and take longer due to outsourcing companies 'learning curves.

In order to support decision making through the available options in “High Potential” group the **Optional Matrix Tool (OMT)** was chose to apply a set of decision criteria (See **Appendix 13**) to the web self-service alternatives:

Options	Criteria >	Responsiveness	Ease of Use	Realibility	Update&Extract	Cost	Convenience	Overall Score (/100):	Ranking:	Potential Problems:
	1 Online Communities	13.8	11.2	9	14	8.4	7.2	63.6	3	Below the minimum desired score for: Responsiveness; Ease of Use
	2 Natural Language Search	18.4	12.8	12.6	18	5.6	8.1	75.5	1	None!
	3 Help tutorials	11.5	14.4	10.8	0	11.2	5.4	53.3	4	Below the minimum desired score for: Responsiveness; Update&Extract
	4 Click to Chat	16.1	12.8	16.2	16	4.2	8.1	73.4	2	Below the minimum desired score for: Cost

After and in accordance with the OTM results, solutions with Natural Language Search<sup>28</sup> were sought, several web self-service providers were analyzed and it was possible to find an extremely complete tool that fulfills E-commerce MC ambitions, let's call it, for matters of privacy, ABC.

### The Recommended Option

ABC consists on a floating widget (**Appendix 14**) with the question “*Do you need help?*” and a text box that remains at the right corner of the webpage. The tool uses Natural language and corrects misspelling mistakes, when a customer starts typing the tool goes from a widget to square. While typing it tries to guess the question and presents other popular questions that can be in context with the page of website one is navigating. It always presents the most relevant answer and

<sup>28</sup> Note that as explained in Appendix 1, virtual Assistant is a kind of Natural Language Search

text, images, video or hyperlinks can be provided in the response answering questions related with the service, products or personal accounts. ABC segments questions which is very valuable considering that we can use it to segment the information by the different marketplaces and so customer won't have to learn information about all the marketplaces if is interested only in one.

Two features of extreme importance are the option for asking feedback in a very simple way and also easy access to Click to Call service, ABC even allows to segment questions and only dispose Click to Call icon in high value ones. Furthermore the widget is highly customizable in terms of design and size, it can either be used in the website page or Support page assuming different formats for each and being responsive to desktop, tablet and mobile.

Last but not least, it is very simple to extract data, it records all questions asked with their number of times and allows to create labels for different group of questions providing highly valuable information about what customers are looking for. The process of adding or updating content is very easy and can be done in real time having a manager from ABC provider accountable for this tool in E-commerce MC.

### **Costs – The price of going behind basics**

ABC has a set-up fee cost of 2 299.8€ that includes 3 month free trial (enough time to build a good knowledge base without losses) and then has different packs priced by engagement. ABC starting price is €2 290.6€/month for 5 000 engagements (unlimited questions per unique visitor) which gives an annual cost of 27 486.7€. The **rate of defection** is 30%, meaning that the need for live assistance is reduced by 30%. The cost of a call email for Sonae MC is 1.26€ and the cost of using



ABC is 0.46€, considering volume of Calls/Emails from November 2014 to October 2015 the ROI of this project would be around 26 337€ calculated by the formula:

$$\text{ROI} = \# \text{Calls/emails} \times \text{deflection rate} \times (\text{Cost of email/call} - \text{Cost of ABC})$$

### **WHY? - The Impact**

This section aims to justify the need of improvements in Help Area for Sonae MC. The reason why this project should be implemented at Sonae. The motivations that can lead Sonae to invest on it, to prioritize this project over the pipeline of existing projects ready implement.

#### **1. Accommodate Future Growth**

E-commerce is no longer an uncertainty in the food retail industry in Portugal it's already happening and being successful (double-digit growth), chances are it becomes huge. The Online sales only represent 3.6% of total sales in Portugal comparing it with the Western Europe estimated share of online sales of goods in total retail sales goods, 9.5%<sup>29</sup> we can see there is still high potential to grow.

The impact of Millennials or Generation Y<sup>30</sup> in the future should be considered, people that was born in the 90s is now entering the prime spending years, the generation that grew up surrounded by internet devices will definitely influence businesses models. Convenience and low cost are two factors that Millennials aim to combine in the most satisfactory way pushing e-commerce models. This effect is already notorious for *Continente Online* with 40% of transactions made by Generation Y with less money to spend and willing to have higher access to information, reviews and price comparison.

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<sup>29</sup> Western Europe B2C E-commerce Report 2014

<sup>30</sup> Generation born between 1980-2000

This project is one step ahead to go along with the expected growth and be able to recognize it better and faster than competitors. And we are not so far from that point. According to Alexandre Nilo da Fonseca, ACEPI president, the annual study<sup>31</sup> forecasts that *“by 2020 e-commerce will represent more than 50% of Portugal GDP with 85% of the population using the internet and half of that percentage buying online”*.

Moreover, Sonae MC is already aware of that opportunities and investing to accommodate this expecting new demand (beliefs are of more than 20% growth for 2016). The new Warehouse in Lumiar is undoubtedly a step ahead in this path of progression. **This project is completely in accordance with company’s goals**, once the logistics part is functional and able to embrace growth it is important to care about the website experience.

## **2. Customers**

### **The actual customers**

*Continente Online* holds the market leader position with a market share of 70%, to sustain that advantage over competitors is important to keep the actual customers. Through the analysis of the internal tools presented before, namely the qualitative ones, it is noticeable that right now customers face moments of hurdle during their customer journey. This project can enhance improvements that make the difference, can guide them for a better journey, show that Sonae MC cares about their feedback and is available to help and make them willing to stay and recommend to friends and family. The information gathered by qualitative measures was used to set priorities by focusing on improving the most relevant topics for customers and thus this project will definitely

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<sup>31</sup> “Estudo ACEPI/IDC Economia Digital e Portugal 2009-2020” – Presented on September 22, 2015

**decrease the percentage of Contacts/ NPS comments related with Help Area as well as calls by placed orders.**

### **The new customers**

First impression matters. For customer than are not e-shoppers already but have the intention to become the simplicity and easiness of the first trial may be a crucial point. It is the moment where they decide if they start shopping online using *Continente Online*, remain in traditional sales or worst case scenario shop online in a competitors. By having an intuitive website with help provided in the right moment the probability that those customers stick with the company and actually become loyal customers is higher. Furthermore a good experience usually is shared and it is also an opportunity to steal market share from competitors by having perceived benefits for customers. **CES and NPS** values from “*First Purchase Survey*” are **expected to grow** with the implementation of this project.

### **3. Costs**

Cost are directly associated with the percentage of contacts/emails related to Help Area and thus a decrease on calls will certainly affect costs. As 84% of Contacts can be somehow related to Help Area issues, taking 20% of those for the risk of not entirely meet customer´s needs, 88 375€ can still be allocated to that area, representing a huge chance for improvements and thus cost reduction.<sup>32</sup>

Regarding ABC product even though the ROI won´t cover the Annual Investment for this volume of Calls/ Emails<sup>33</sup>, two factors should be taken in consideration. First it was settled since the beginning that despite the desirable cost reduction the major goal was to improve customer journey

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<sup>32</sup> The remaining cost is allocated to issues that cannot be solved by improving help such as delays on delivery for instance

<sup>33</sup> Data from November 2014 to October 2015

in the website by reducing the causes of contacts. Second, the expected growth for 2016 is about more than 20% and if the volume of Call goes together with that growth annual savings will be of around 3 134.7€, a payback of less than one year and increases on customer satisfaction and loyalty by reducing customers effort. (See Appendix 15)

### **Recommendations**

E-commerce MC should implement the Support page as soon as possible following the structure provided. Feedback tool together with the follow up of Contacts/ Complaints/ NPS should be used to get better insights about what is missing in the information provided to customers and constantly update it. E-commerce MC should also invest in ABC product starting by addressing questions only related with service, the knowledge base will need time to be complete and Sonae MC will better prepared than competitors to accommodate growth.

The company that provides Click to Call also provides **Co-browsing**<sup>34</sup> tool with no additional investment, it should be implemented once it would reduce the ratio contacts per placed order. Moreover, to accomplish the same purpose, **Suggested next steps** should be given by assistants during phone calls. As a proposed next step for this project continuation a “**Notification**” area could be implemented aiming to promote contents from Support Page among others and increase the number of visitors on the page. The area should be implemented in the toolbar and notification such as “*Learn how to make a shopping list*” or “*Learn how to access your historic*” will forward customer to the new page.

### **Conclusion**

Web self-service is the key to diminish the volume of contacts to Call Center, even though a minimum level of human assistance is demanded by customers. Thus, self-service should be used

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<sup>34</sup> Tool where assistants and customers navigate together through steps need to overcome customers hurdles.

for simple issues (low value questions) letting more complex issues (high value questions) for live agents. The implementation of STT should take in consideration customer's profile and their technology readiness which would not definitely be a problem for *Continente online* once 40% of sales is already generated by Millennials.

Despite having the reduction of Call Center costs as an aim companies usually don't pay the proper attention to Help Area as mean to achieve it. A proof of that is that there aren't national web self-service providers able to compete with the external market and that was the main limitation of this project once external markets have higher prices for Call Centers and thus self-service solutions are really expensive .

What creates loyalty is reducing customer's effort and by let them help themselves providing the right tools, the painful process of IVR<sup>35</sup> waiting line is avoided plus customer's feeling of self-efficacy is enhanced. Tracking information given by NPS/ Contacts and complaints is extremely helpful to get customer feedback and this project wouldn't be possible to develop without it.

E-commerce growth is a certainty and the same goes for the increase in the volume of calls. The implementation of this project will accommodate growth, retain existing customers, create higher probability of increasing market share and in the long run reduce costs. The support page by itself is expected to create huge impact, the difference will certainly be noticed by customers and looking for help will be perceived as a more enjoyable process. However, meeting the basics is a need but go for the extra mile should be the goal and E-commerce MC should be the first in its industry achieve it.

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<sup>35</sup> Interactive Voice Response

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